

Study on the Application of Marginal Costing in Decision Making

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Abstract: *This study delves into the practical utilization of marginal costing in making decisions. Marginal costing is a method used by businesses to assess the cost of producing one additional unit of a product or service. Decision-making in business involves various choices that can significantly impact profitability and sustainability. By focusing on the marginal costs incurred with each additional unit produced or service rendered, companies can make informed decisions regarding pricing, production levels, and product mix. The study employs a comparative approach to analyze the effectiveness of marginal costing across different industries or sectors. It explores how businesses in various contexts apply marginal costing techniques to optimize their operations and enhance financial performance. Through case studies and empirical research, the paper examines real-world scenarios where marginal costing influences decision-making. The findings of this study offer insights into the benefits and challenges associated with implementing marginal costing strategies. By understanding the practical implications of marginal costing, businesses can improve their cost management practices and make more informed decisions. This research contributes to the existing body of knowledge by shedding light on the application of marginal costing in decision-making and its impact on organizational success.*

Keywords: Marginal Costing, Decision Making, Cost Management, Comparative Analysis